

## **Alternative Education Programs**

### ***Background***

Alternative education programs (“AEPs”) serve general and special education students, but utilize focused instructional and behavior management approaches in order to more effectively serve students who are not succeeding in traditional school settings. In many states, LEAs are required to provide various types of AEPs, including programs for juvenile offenders, or to contract with a district that provides such programs.

LEAs face a number of challenges in accounting for students at alternative centers including:

- Many alternative centers serve students from multiple campuses. Expenditures for items such as textbooks, supplies, and other materials are typically coded to the student’s home campus. Therefore, accounting for expenditures at the alternative center may not incorporate all costs associated with operations.
- Because students are assigned to an alternative campus or classroom only after behavior problems have been identified, the alternative centers do not have a stable enrollment upon which to base operating budgets.
- Alternative centers often serve a mix of students, including students who receive special or vocational education services. LEAs must determine the appropriate method of tracking expenditures at the alternative center to comply with targeted funding requirements.
- In some cases, LEAs contract with other LEAs or third party vendors to provide alternative instruction services to students with consistent behavior problems. These services may overlap with other shared service arrangements, including special education services, behavior modification services, or juvenile justice alternative education services.

### ***Accounting Treatment***

The existing accounting framework does not address AEP settings directly. As a result, LEAs may account for alternative campus/center/classroom situations in a variety of manners, including:

- Treating alternative school services no differently from regular programs in their accounting structures
- Treating alternative school services as representing a variety of services in an “alternative” setting; in other words, the services are simply provided at another location. Therefore, expenditures are accounted for according to existing frameworks, with services to emotionally disturbed students at the alternative center coded to program 230 and services to learning disabled students coded to program 240, for example

- Tracking expenditures at the Operational Unit level; therefore, each alternative center is treated as a separate operational unit and the LEA does not track expenditures as a program across the LEA's organization

In order to provide uniform and comparable data for LEAs, it is important that expenditures for AEPs be treated in a consistent manner. The following options exist:

- Option 1: Establish an alternative education services program code to track the level of expenditures associated with education services provided through alternative campuses/centers/classrooms, regardless of funding source. This approach most effectively corresponds to the definition of a program within the educational context.
- Option 2: Establish an alternative education services function code to track the level of expenditures associated with education services provided through alternative campuses/centers/classrooms, regardless of funding source. However, the operation of an AEP does not fully correspond to the intent of a function code, as several functions may be performed within an AEP.
- Option 3: Recommend that LEAs track expenditures for alternative education services provided through alternative campuses/centers/classrooms at the organizational unit level.

### ***Proposed Handbook Revision***

We recommend that Option 1 be accepted for the revision of the Handbook. This option is similar to that utilized in a number of state and local educational jurisdictions. This methodology is consistent with the traditional definition of educational programs. In addition, it provides for the tracking of AEP expenditures within a single code. In order to provide improved tracking of expenditures for educational services provided through alternative classroom settings, we propose development of a new program code as follows:

**280. Alternative Education Programs.** Activities for students assigned to alternative campuses, centers, or classrooms designed to provide improved behavior modification and an enhanced learning experience.

Although this accounting treatment does provide a "cost center" solution for tracking AEP costs, it does not address other identified concerns. First, all costs associated with the program would be charged to this program rather than to special or vocational program codes. In addition, many LEAs wish to segregate costs associated with special, vocational and regular education from those associated with the incremental costs of providing AEP settings. The administrative burden of tracking these disparate costs within a single educational setting increase the level of administrative costs and potentially diminish the accuracy of reported financial results. Therefore, we believe that the use of a program code to track AEP expenditures is the best accounting approach. The issues are trade-offs to the recommended program costing approach. However, the

new AEP program code does diminish the administrative requirements that would be associated with other alternatives.

### ***Coding Examples***

1. An LEA designates a portion of existing campus to service alternative education students. The program provides instructional services (including vocational services) as well as in-depth counseling and tutorial services. The remainder of the campus facilities are utilized to provide general educational services to students (i.e., the AEP is only a portion of the campus).

The costs associated with the alternative education program should be coded to program code 280 (Alternative Education Programs) utilizing the appropriate expenditure codes (e.g., salaries, supplies, etc.). Facilities expenditures such as custodial and maintenance services could also be allocated to the program utilizing a reasonable basis for allocation (e.g., enrollment, square footage).

Alternately, the LEA could code special and vocational educational costs that are clearly attributable to these programs to the specific special or vocational program code. Other direct costs could be coded to the AEP program code. Other joint costs could similarly be allocated to the various program codes based on direct expenditures.

The remainder of the costs associated with this campus should be coded to the regular educational account codes.

2. An LEA constructs a new campus that is specifically designated for serving AEP students.

The costs associated with design and construction should be coded to expenditure object code 720 (Buildings) utilizing program code 280 (Alternative Education Programs).